

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (3/09):**

**BUTTER:** Grade AA closed at \$1.5050. The weekly average for Grade AA is \$1.5050 (+.0042).

**CHEESE:** Barrels closed at \$1.2825 and blocks at \$1.3000. The weekly average for barrels is \$1.2685 (-.0165) and blocks, \$1.2800 (-.0380).

**NONFAT DRY MILK:** Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

**BUTTER:** The butter market tone remains firm at current price levels. Butter producers and handlers are stating that current prices are limiting the feature activity planned for the upcoming Easter holiday. Some retail outlets have cancelled previously scheduled features, while others will be featuring as scheduled. For the most part, current butter demand is fair at best with most buyers purchasing for near term use. Churning schedules are seasonally active. In most instances, additional cream offerings are clearing with minimal problems to butter and other cream based product production. More cream interest from ice cream producers is developing. Stocks of butter are reported as mixed. Some producers continue to churn for near term uses, while other are inventorying surplus volumes.

**CHEESE:** The cheese market is unsettled to weak. Cash cheese prices at the Chicago Mercantile Exchange during the week were generally lower. Process demand remains good, but not as strong as a few weeks ago. Natural American demand is lighter early in March. During the week of March 5 - 9, CCC purchased no cheese under the price support program. January 2001 estimated cheddar cheese production is 233.0 million pounds, off 16.0 million pounds (-6.4%) from last January. Total cheese output in January totaled 678.5 million pounds, down 8.5 million pounds (-1.2%) from a year ago.

**FLUID MILK:** On March 5, the California Department of Food and Agriculture announced the determinations of hearings of two recent proposals related to higher energy costs. The proposal to increase the Class 1, 2 and 3 prices based on increases in the utility component of on-farm production costs above a baseline is not adopted. The proposal to increase the Class 1, 2 and 3 prices by \$0.25 per hundredweight based on fuel surcharges is not adopted. Milk production is lower in the Southwest. Heavy and repeated rains have affected milk output from 1 to 4% lower. Production in the Northwest is improving seasonally as warmer than normal temperatures occur. Midwestern milk supplies are tight as demand for higher class items saw increases. The snowstorm in the Northeast impacted the fluid milk business. Panic buying ahead of the storm cleared some stores of milk. Some farm pickups were delay and transportation problems hit all segments of the dairy markets. In the Southeast, milk production is increasing seasonally. Florida continues to ship milk out of state for processing. The cream market remains firm in most regions. Multiples are often steady, but the butter price continues higher. Butter makers are aggressively looking for cream.

**DRY PRODUCTS:** Nonfat dry milk prices are holding mostly steady with some declines noted in the East. Production remains heavy and offerings are strong to the support program to keep inventories balanced. Buttermilk prices are steady to slightly higher. There are

more offerings at some locations, but seasonal sales of condensed to the ice cream trade are expected in the short term. Dry whey markets are mixed. Midwestern buyers are seeing more offerings from producers. Production levels are steady. Lactose prices are holding steady while the market tone is firming. Offering prices for the second quarter are trending 1 to 3 cents higher. Pricing levels for WPC are unchanged in a firm market. Producer offerings are tight and resellers are getting good premiums to the current market.

**CCC:** During the week of March 5 - 9, CCC net purchases totaled 13,446,246 pounds of nonfortified NDM, 171,958 pounds from the Midwest and 13,274,288 pounds from the West.

**JANUARY 2001 DAIRY PRODUCTS HIGHLIGHTS (NASS):** Butter production was 128.4 million pounds in January, 9.7% below January 2000 but 10.8% above December 2000. American type cheese production totaled 300.6 million pounds, 5.1% below January 2000 but 0.4% above December 2000. Total cheese output (excluding cottage cheese) was 678.5 million pounds, 1.2% below January 2000 and 1.7% below December 2000. Nonfat dry milk production, for human food, totaled 117.5 million pounds, 12.1% below January 2000 and 1.3 below December 2000. Dry whey production, for human food, was 88.9 million pounds, 13.9% below January 2000 but 2.1% above December 2000.

**JANUARY CONSUMER PRICE INDEX (BLS):** The January Consumer Price Index (CPI) for all food is 170.9, up 2.9% from January 2000. The dairy products index, at 163.6, is up 2.0% from a year ago. The January to January changes in selected dairy products are as follows: fresh whole milk up 5.2%, cheese down 1.5%, and butter up 12.8%.

**COMMERCIAL DISAPPEARANCE (ERS and AMS):** Commercial disappearance of dairy products during calendar year 2000 totaled 169.2 billion pounds, 2.3% higher than the comparable period in 1999. Comparing disappearance levels with a year earlier: butter up 1.3%, American cheese up 1.0%, other cheese up 5.1%, NDM down 2.8%, and fluid milk products down 0.7%.

**OUTLOOK FOR DAIRY (ERS):** Recently published revisions to annual 2000 milk production data show almost no changes from the original estimates. Milk cow numbers and milk production were lowered only 0.2%. Milk production in 2000 grew almost 3% (on a daily average basis) on the strength of a more than 2% increase in milk per cow and an almost 1% rise in average milk cow numbers. Growth in dairy demand in 2001 may not match the exuberant pace of recent years, as the economic expansion is beginning to show some ragged edges after a long steady run. Even so, dairy demand is projected to remain fairly good through at least most of the year because a major economic slowdown does not seem likely. Demand for cheese, butter, and cream probably will continue to show the most strength. Milk prices in 2001 are likely to recover only slightly from last year's low. Farm milk prices currently are somewhat above the very low levels of a year ago but are expected to run near a year earlier during the spring and summer. Seasonal rises are projected to lift autumn prices above a year earlier. For the year, the average price of all milk is expected to rise about a half-dollar per cwt. The gap between the value of milk for butter-powder and for cheese probably will stay wide.

**\*\*\*\*SPECIALS THIS ISSUE\*\*\*\***

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MARCH 5	TUESDAY MARCH 6	WEDNESDAY MARCH 7	THURSDAY MARCH 8	FRIDAY MARCH 9	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2800 (N.C.)	\$1.2600 (-.0200)	\$1.2600 (N.C.)	\$1.2600 (N.C.)	\$1.2825 (+.0225)	+.0025	\$1.2685 (-.0165)
40# BLOCKS	\$1.3200 (N.C.)	\$1.2600 (-.0600)	\$1.2600 (N.C.)	\$1.2600 (N.C.)	\$1.3000 (+.0400)	-.0200	\$1.2800 (-.0380)
BUTTER GRADE AA	\$1.5050 (+.0025)	-----	\$1.5050 (N.C.)	-----	\$1.5050 (N.C.)	+.0025	\$1.5050 (+.0042)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM) (NOTE: The NDM daily/weekly prices are no longer reported here. Extra Grade and Grade A prices are \$1.0300. They last changed 9/1999. NDM information remains available at the above internet address.)

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, MARCH 5, 2001

CHEESE — SALES: 1 CAR BARRELS @ \$1.2800; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2800

BUTTER — SALES: NONE; BIDS UNFILLED: 7 CARS GRADE AA: 1 @ \$1.5050, 1 @ \$1.5025, 1 @ \$1.4925, 1 @ \$1.4700, 2 @ \$1.4500, 1 @ \$1.4300; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.5500

TUESDAY, MARCH 6, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2600; 1 CAR 40# BLOCKS @ \$1.2600

WEDNESDAY, MARCH 7, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.2800

BUTTER — SALES: NONE; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ \$1.4950, 2 @ \$1.4900, 1 @ \$1.4675; OFFERS UNCOVERED: 2 CARS GRADE AA @ \$1.5800

THURSDAY, MARCH 8, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2500; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.2600

FRIDAY, MARCH 9, 2001

CHEESE — SALES: 3 CARS 40# BLOCKS: 1 @ \$1.2700, 1 @ \$1.2800, 1 @ \$1.2900; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.2825, 1 @ \$1.2800; 1 CAR 40# BLOCKS @ \$1.3000; OFFERS UNCOVERED: NONE

BUTTER — SALES: 3 CARS GRADE AA @ \$1.5050; BIDS UNFILLED: 10 CARS GRADE AA: 3 @ \$1.5050, 2 @ \$1.5025, 1 @ \$1.5000, 1 @ \$1.4975, 1 @ \$1.4950, 1 @ \$1.4925, 1 @ \$1.4750; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$1.6875, 1 @ \$1.6900

Dairy Market News will resume reporting of CME nonfat dry milk sales, bids, and offers, should trading activity occur.

**BUTTER MARKETS****JANUARY BUTTER PRODUCTION**

During January 2001, butter production in the United States totaled 128.4 million pounds, 9.7% less than January 2000, but 10.8% more than December 2000. The following are percentage changes from January 2000 for various states: CA -6.7%, MN -29.9, NY -45.6%, PA -22.4%, WA +3.1%, and WI -10.2%.

**NORTHEAST**

The market tone remains unsettled, but prices continue to increase. Demand is just fair, unless speculators are putting some away for anticipated summer needs. Current consumption levels are steady at best. Increasing retail prices have a dampening effect on sales and may impact Lenten promotional activity. Food service orders are about steady. Current churning activity is moderate to heavier in the East and cream suppliers are easily clearing any extra loads to Midwestern butter makers. Estimated January 2001 butter production in North Atlantic states was down 2.1 million pounds (-11.5%) from January 2000. Sales of bulk butter, f.o.b. East, are reported in a range of 2.5 – 6.5 cents over the CME price/average.

**CENTRAL**

Midwestern butter markets remain basically steady. Butter producers and handlers continue to question their inventory strategies with the cash price higher than most desire for this time of the year. Churning schedules vary, but for the most part, butter operations are taking advantage of available cream supplies and putting surplus butter away for future use. Current butter orders are seasonally active, but

classified as fair. Orders for the upcoming Easter/Passover holiday are mixed. Some retail outlets have cancelled previously scheduled features, while others will be featuring as scheduled. Food service orders are seasonally fair. Favorable weather conditions in the Central part of the country are being attributed to steady restaurant orders. Bulk butter, when available for spot sales, is being offered in a price range of 1 – 3 cents per pound over various pricing bases.

**WEST**

Butter prices remain very firm for this early in the year. Contacts are stating that current prices are limiting the feature activity planned for the upcoming Easter holiday. Retail sales are fair for this time of year considering current base prices. Food service orders are good. Some contacts wonder if prices will soften somewhat during the spring flush before firming again this summer. Butter storage plans are tenuous at best. Neither buyers nor sellers are sure what the correct strategy might be. More interest in cream is developing from ice cream operations. January butter production in the West is reported to be down 8.4% from a year earlier. Weekly CME butter stocks grew by 2.5 million pounds this week and now stand at 52.9 million pounds. Last year at week number ten stocks were at 63.9 million pounds. Current prices for bulk butter nominally range from 4 cents under to flat market based on the CME with various time frames and averages involved.

**NASS DAIRY PRODUCT PRICES  
U.S. AVERAGE AND TOTAL POUNDS**

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
MARCH 3	1.1938 5,445,721	1.2420 8,379,383	1.0126 20,520,976	1.4629 5,059,923	0.2400 10,183,226

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Wholesale cheese prices are higher on all varieties except Swiss. Cash prices on the Chicago Mercantile Exchange were higher, although barrels met with some resistance late last week. Current cheddar offerings are adequate for the slow to fair demand. Mozzarella remains in close balance with demand. The winter storm and strong Class I sales were limiting milk available for cheese production in the Northeast. Estimated total cheese production during January compared to January 2000 for Northeastern states are: New York 58.3 million pounds, down 4.1 million pounds (-6.6%); and Pennsylvania 28.6 million pounds, down 286,000 pounds (-1.0%).

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3625-1.8325
Cheddar Single Daisies	:	1.3200-1.7800
Cheddar 40# Block	:	1.4600-1.6400
Process 5# Loaf	:	1.4950-1.6675
Process 5# Sliced	:	1.5150-1.7700
Muenster	:	1.5225-1.7300
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is weak. Traders are concerned that seasonal increases in milk and cheese production will generate increased offerings. Committed cheese sales for March are typically lighter for cheddar and natural American. Spot demand is also slower, leaving extra loads available for sale or storage. Process sales remain good, bolstered by food service and retail promotional activities. Processing solids are becoming a little more available. Mozzarella remains tight to barely adequate. Milk intakes are little changed in the upper tier of states. Cheese yields are drifting lower seasonally. Estimated January 2001 total cheese production in selected Midwestern states compared to January 2000 are: Wisconsin 176.3 million pounds, down 5.8 million pounds (-3.2%); Minnesota 57.0 million pounds, off 3.9 million pounds (6.4%); Iowa 22.2 million pounds, up 893,000 pounds (4.2%); and South Dakota 12.0 million pounds, down 1.7 million pounds (-12.3%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5050-1.5600
Brick And/Or Muenster 5#	:	1.5300-1.9125
Cheddar 40# Block	:	1.5300-2.1150
Monterey Jack 10#	:	1.7300-2.1150
Blue 5#	:	2.0575-2.1600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5400-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0450-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	MARCH 5 - 9, 2001
BARRELS*	:	\$1.2600 - 1.2950 (NOMINAL)
	:	(-.0050)
40# BLOCKS	:	\$1.2600 - 1.3375 (NOMINAL)
	:	(-\$ .0300) (.0075)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Natural and process cheese prices continue to increase while Swiss prices are holding steady. These changes were based on activity through March 2. Prices at the CME moved sharply lower for blocks on March 6. Activity was extremely light so the trade is waiting to see if the market intends to readjust. Demand in the West for processing solids and current blocks is both good. Sales activity is continuing at good levels. Promotions are stimulating additional demand which needs to be covered by additional purchases of cheese. Some increased barrel cheese production is noted. More cheese with quality defects that was produced since the first of the year is now coming onto the market. Sales are occurring at price discounts. Swiss cheese production during January totaled 16.2 million pounds, down 9.5% from last year. American cheese production was 300.6 million pounds, down 5.1% from January 2000. American output compared to last year in selected Western states is as follows: California up 11.4%, Idaho down 8.7%, Oregon down 1.1%, Utah up 6.3%, and Washington down 7.7%.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4375-1.6975
Cheddar 40# Block	:	1.4400-1.5800
Cheddar 10# Cuts	:	1.6200-1.8400
Monterey Jack 10#	:	1.6300-1.7900
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5100

## FOREIGN

Domestic prices are unchanged to higher and prices on imported varieties are steady. New product arrivals from Europe are a concern due to the discovery of the highly contagious foot and mouth livestock disease in parts of the EU. Current offerings are generally adequate for needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

NEW YORK		
VARIETY	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.6650-3.1600*
Gorgonzola	: 3.2400-5.9400	: 2.2150-2.4900*
Parmesan (Italy)	: TFEWR	: 3.0800-3.1050*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.6725-1.9400*
Romano (Cows Milk)	: -0-	: 2.8550-5.0300*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.3100	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE		
03/05/01	21,498	: 130,166
02/01/01	17,132	: 132,725
CHANGE	4,366	: -2,559
% CHANGE	25	: -2

Based on the historical relationship of the preliminary U.S. Cold Storage report of January 2001 and the selected centers storage report, the expected U.S. holdings as of March 1, 2001 are:

Butter 82 million pounds plus or minus 5.37 percent  
Cheese 503 million pounds plus or minus 4.98 percent

## FLUID MILK AND CREAM

## E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	103	0	78	0	80
SOUTHEAST STATES	0	0	0	0	0	0

The following are the February 2001 Class and component prices under the Federal Milk Order pricing system: Class II \$13.43 (up \$.61 from January), Class III \$10.27 (up \$.28); and Class IV \$12.70 (up \$.57). Product price averages used in computing Class prices are: butter \$1.3143, NDM \$1.0137, cheese \$1.1467, and dry whey \$.2561. The Class II butterfat price is \$1.4696 and the Class III/IV butterfat price is \$1.4626. This week's snowstorm in the Northeast has had its normal effects on the fluid milk business. New England was the hardest hit by snowfall, but fluid milk sales are affected as far south as the Middle Atlantic area. Bottlers report running out of milk over the weekend and store shelves were empty of dairy and other food staples. The prediction of the storm and the storm itself cause widespread panic buying. In those areas hit by heavy snowfall, some farm-milk pick-ups were delayed. There were other delivery problems, but some bottlers shipped a day early to avoid the brunt of the storm induced driving problems. Connecticut highways were closed for a time and milk was diverted to plants in other states. Milk production figures are hard to gauge, but most contacts reported milk as tight early this week. Bottled milk sales were "through the roof" over the weekend and up through Tuesday. Another storm is predicted for later this week, which should keep Class I demand well above normal. Surplus milk volumes are light and most manufacturing plants have plenty of capacity at this time. Cheese producers are, reportedly, taking all the milk they can find. Butter/powder plants are not getting as much milk as they would like. In the Southeast, milk production continues to come up along seasonal patterns. Parts of the region were also affected by the storm that hit the Northeast, but to a much lesser degree. Preliminarily, Florida handlers shipped about 103 loads out of state this week. The condensed skim market is little changed, however, spot prices for Class III did move higher. Demand is holding up at good levels, but the weather did cause delivery problems. The fluid cream market is firm, at least early in the week when surplus milk volumes were very light. Contacts expect more cream to be available later in the week. Some cream users did close because of the storm, but the cream that normally moved to those plants cleared easily. Butter makers, both local and out of region, are aggressively looking for excess cream. Spot prices are often higher because of the increase in the butter price at the CME.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANK LOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.8760-2.0261
DELIVERED EQUIVALENT ATLANTA	-	1.8760-2.0411 M 1.8910-1.9811
F.O.B. PRODUCING PLANTS UPPER MIDWEST	-	1.9285-2.0261

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES -	1.0900-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .8600-.9600

## M I D W E S T

Class I demand is excellent bolstered by the usually strong early part of the month and retail features. Bottlers and handlers were actively seeking supplemental fluid supplies to help fill orders. Class I spot premiums paid were also higher, ranging from \$1.75 up to \$3.25. Loads of fluid were moving for bottling regularly from Michigan and Minnesota to help serve the Chicago spot market this week. Milk supplies remain unseasonably tight through much of the upper tier of states, reducing manufacturing schedules below desired levels at many plants. The big winter storm in parts of the East did affect the milk supplies, mainly on the edges of the region. Manufacturing milk demand is still good for the limited supplies, though there were not enough reports to provide prices. Some manufacturing demand is going unsatisfied. Cream demand is good and ice cream production is increasing seasonally for some

producers. Cream prices are higher, reflecting the change in the weekly Chicago Mercantile Exchange cash butter average. Reported condensed skim prices for Class II use are \$1.0500 to 1.1250. Shipments into other orders included 21 loads of Wisconsin milk are direct shipped to Missouri along with 10 loads to Kentucky and 21 to Tennessee and pooled under other federal orders. Current milk intakes are doing little on a week to week basis. Snow cover is declining in much of the upper tier of states except where lake effect snow added to the cover. The size of the farm auction schedule printed in farm papers is increasing, as March is normally a big month for sales.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MARCH 1 - 7	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.50- 48.50	\$ 36.00- 41.50
REPLACEMENT HEIFER CALVES	\$250.00-335.00	\$270.00-315.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MARCH 1 - 7	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.50- 52.25	\$ 33.00- 44.50

## W E S T

On March 5, the California Department of Food and Agriculture announced the determinations of hearings of two recent proposals related to higher energy costs. The proposal to increase the Class 1, 2 and 3 prices based on increases in the utility component of on-farm production costs above a baseline is not adopted. The proposal to increase the Class 1, 2 and 3 prices by \$0.25 per hundredweight based on fuel surcharges is not adopted. The February 4a price (butter/powder) in California is \$12.56, up 57 cents from January and \$2.09 higher than last year. This compares to the Federal Order Class IV price for February at \$12.70. The February 4b price (cheese) is \$10.05, up 83 cents from January and 77 cents higher than last year. This compares to the Federal Order Class III price for February at \$10.27. Milk production is being adversely affected by continued wet conditions across most areas of California. While the heaviest rains heard in national news have occurred outside the dairy areas, rains have impacted production nonetheless. Some processors are seeing receipts down from 1 to 5%. The impact is even greater in some localized areas. Feedlots are noted as muddy and the impact on herd health is yet to be fully impacted. Temperatures have been fairly moderate and have actually been a mitigating factor in keeping production from dropping further. Cropping of new crop alfalfa in the Imperial Valley has been hampered by rains. Quality of cut and standing hay is deteriorating. New Mexico milk production is still being impacted by adverse conditions over recent months. The feedlots and yards are often wetter than desired and, coupled with winter weather, keeping milk production per cow lower than desired. Demand for replacement cows and livestock to start new operations and expansions is high from producers in the state. Arizona rains have also impacted milk output at the farm level. Rains have been sporadic, but enough to keep lot conditions muddy. Production levels are down a percentage point or two. Cream multiples in the Southwest range from 114 to 129 FOB and vary depending on class utilization. Prices are higher, reflecting higher averages and prices for CME butter. Record high springtime temperatures are common over much of the west sides of Oregon and Washington. Milk production remains strong seasonally. Springfield work is commencing, earlier than normal. Conditions remain extremely dry. Cropping decisions will be impacted by input costs and water availability. Some farmers in some basins will be told next week that there is no irrigation water for the next crop year. Some areas are only expecting one cutting of hay this year because of water issues. Hay prices are firm in very light trading. Heifer demand remains incredibly strong with prices often sharply higher. Cull cow prices are strong enough that more low-end animals are now exiting the herds. Earthquake issues were really a non-event from the dairy perspective. Plants and farms suffered only minor problems with some transportation issues having the most impact. Temperatures in the 60's were common over much of the Inter-Mountain West. Conditions became a little muddy, but the problem is not expected to persist. Milk is generally less than expected for this season of the year. Some firms are actively soliciting new producers to fill in behind those that have exited the industry. Tests on incoming milk receipts are seasonally normal.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 03/08/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are unchanged on a steady market. Milk production is mostly flat to seasonally higher, encouraging steady production of NDM. Extra Grade supplies remain readily available for the light to fair interest. Grade A production is increasing yet still short of customer requests. High heat stocks are tight with most plants working off inventory. Standard grade supplies are readily available from Western and Midwestern suppliers at prices slightly below the support level. Production of human food, nonfat dry milk during January 2001 totaled 117.5 million pounds, down 12.1% from January 2000 and 1.3% below December 2000. Month ending stocks, at 123.9 million pounds, are 15.3% below a year ago but 4.1% more than December 2000.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0025 - 1.0600 MOSTLY: 1.0225 - 1.0275

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to higher on a steady to slightly firmer market. Anticipated seasonal price declines are not occurring, especially as ice cream production increases. Condensed buttermilk is clearing well, decreasing available supplies for drying. Churning activity is unchanged to lower as cream supplies tighten, reducing the amount of condensed buttermilk produced. Demand is best on regular commitments. Stocks are in balance to tight for the light to fair spot interest. Dry buttermilk production during January 2001 totaled 5.3 million pounds, down 8.8% from January 2000 but 12.8% higher than December 2000. Month ending stocks, at 5.7 million pounds, are 31.5% below last year but 59.8% above last month.

BUTTERMILK: .9800 - 1.0700

**DRY WHEY - CENTRAL**

Prices are unchanged to lower on a weak market. Producers that contracted the bulk of their production are in the best position. Other suppliers are running long and offering product at a discount. Some feed buyers are canceling on their contracts. Producers are unsure as to whether feed demand is actually decreasing or if feed buyers are deferring purchases until prices decline. Production is mostly steady for the light spot interest. Production of human food, dry whey during January 2001 totaled 88.9 million pounds, 13.9% less than January 2000 but 2.1% above December 2000. Month ending stocks, at 37.2 million pounds, are 18.5% below a year ago but 2.5% more than December 2000.

NONHYGROSCOPIC: .2250 - .2500 MOSTLY: .2400 - .2450

**ANIMAL FEED WHEY - CENTRAL**

Prices are lower on a steady to weak market. Milk replacer and roller ground prices adjusted to changes in the Extra Grade market. Milk replacer supplies are light with most sales clearing quickly into feed facilities. Roller ground supplies are mostly in balance with some export activity noted. Delactose movement is unchanged. Most stocks are contracted and spot sales are light. Offerings of EU delactose are reportedly being made at competitive prices to some feed buyers. Possible trade is suspect given animal health problems in the EU. North Central veal prices are higher while early weaned pig prices move lower. Production of animal feed dry whey during January 2001 totaled 5.6 million pounds, 16.0% lower than a year ago and 34.1% less than December 2000. Month ending stocks, at 6.1 million pounds, are 1.6% below a year ago and 11.4% lower than last month.

MILK REPLACER: .1800 - .2050

\*ROLLER GROUND: .2325 - .2575

DELACTOSE (Min. 20% protein): .4150 - .4300

\*Correction: Roller Ground Prices for Report 9 should have been .2350 - .2600

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged and the market tone is generally firm. Supplies remain mixed. Many plants are tight on supplies while a few plants are running long. More offering prices for the second quarter are occurring at prices 1-3 cents over the average. Multiple load shipments are reportedly available at a discount for domestic sales. Inquiries are increasing domestically from infant formula and nutrition companies. Sale prices are unchanged at the average or standard premiums. Export interest remains strong. Off grade product is available at .1350 - .1550 FOB. Lactose production during January 2001 totaled 46.4 million pounds, up 13.8% from January 2000 and 6.2% above December 2000. Month ending stocks, at 27.4 million pounds, are 24.5% higher than a year ago and 12.2% below last month. Production totals for selected regions with changes from 2000 include: East North Central, 8.6 million pounds, -4.7%; West North Central, 16.1 million pounds, +1.7%; West, 21.1 million pounds, +42.2%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1550 - .2150 MOSTLY: .1625 - .1725

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged on a firm market. Supplies are tight and trading activity is light. Some buyers are requesting contract negotiations for fourth quarter in the hopes of securing supplies. Inquiries from feed operations are noted yet overall interest is slowing due to the known lack of supplies. Resellers are offering at 1-2 cent premiums and manufacturers that may have an extra load are offering as high as 4 cents over the average. Some high protein product is reportedly available from Australia and New Zealand. Trading of 80% protein is slower than previous weeks. Off grade 34% supplies are limited and trading near the average for the good demand. Production of human food WPC during January 2001 totaled 26.9 million pounds, down 5.5% from January 2000 and 3.8% below December 2000. Manufacturers end-of-month stocks totaled 10.8 million pounds, 38.7% lower than a year ago but 10.6% above last month. Production totals for selected states with changes from 2000 include: California, 8.2 million pounds, +2.3%; Minnesota, 4.3 million pounds, -9.1%; and Wisconsin, 3.7 million pounds, -10.0%.

EXTRA GRADE 34% PROTEIN: .7875 - .8200 MOSTLY: .7875 - .7925

**NONFAT DRY MILK - WEST**

Low/medium heat prices and the market tone are mostly steady. Exporting to Europe and replacing sales is noted from several sources due to problems in the EU over BSE and now foot and mouth disease. New DEIP orders continue to be filled and new acceptances continue. Domestic demand remains fair and excess stocks clear to the support program. During the week of February 26 - March 2, CCC net purchases totaled 12.8 million pounds of Western NDM. High heat prices are unchanged. Demand continues to be fair to good seasonally. Production capacity is adequate to fill orders and build stocks of high heat, which was not the case last year. U.S. NDM production in January totaled 117.5 million pounds, down 12.1% from last year and down 1.3% from December. January production in California totaled 59.2 million pounds, down 8.5% from last year, and Washington output totaled 14.9 million pounds, down 1.0% from a year ago. U.S. stocks at the end of January were reported at 123.9 million pounds, down 15.3% from last year but 4.1% higher than last month.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9950 - 1.0250 MOSTLY: 1.0025 - 1.0175

HIGH HEAT: 1.0300 - 1.0800

**DRY BUTTERMILK - WEST**

Dry buttermilk prices are mostly steady. Producer offerings are noted to be higher. However, prices are not being pressured lower at this point. Seasonal demand from ice cream producers is still slow to materialize, but expectations are for higher interest. Current stock levels are light to moderate. U.S. dry buttermilk production in January totaled 5.3 million pounds, down 8.8% from last year but 12.8% higher than December. Stocks at the end of January were reported at 5.7 million pounds, down 31.5% from a year earlier but 59.8% above December.

BUTTERMILK: .9600 - 1.0300 MOSTLY: .9700 - .9900

**DRY WHEY - WEST**

The Western whey market continues to be somewhat mixed. Prices range from steady to higher for plant specific product. Inventory pressure is generally less than noted a few weeks ago at most locations. A few plants do have heavier stocks. An export tender to the Far East is due in this week. Contacts are unsure how much whey will be sourced from the U.S. The EU will be limited in their participation because of the ongoing health issues. Western whey output in January was almost 30% less than last year.

NONHYGROSCOPIC: .2200 - .2575 MOSTLY: .2300 - .2425

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
March 2	\$1.0059	12,522,952
February 23	\$1.0069	12,161,949

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

The market tone is steady. Prices are unchanged to slightly lower and remain nominal in the Northeast. The early-week snowstorm that hit the Northeast made it difficult for milk to get into and product to get out of some plants. This week, production levels were often lighter because of the tighter supply of surplus milk. Producers continue to report a lighter than desired inventory of dry skim. Most would like to have more on hand, but there is no shortage of NDM to cover current demand. Some reports indicate an improved demand for export, but most exports start in the Western region where powder is more readily available. Many traders reported a relatively quiet week with regard to trading activity. Production of human food, nonfat dry milk during January 2001 totaled 117.5 million pounds, down 12.1% from January 2000 and 1.3% below December 2000. Month ending stocks, at 123.9 million pounds, are 15.3% below a year ago but 4.1% more than a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0300 - 1.0800 MOSTLY: 1.0300 - 1.0600

HIGH HEAT: 1.0575 - 1.1200 MOSTLY: 1.0600 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0525 - 1.1400

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged and nominal. The market tone is mostly steady. Output is heavier in some plants, lighter in others. Most operations have little dry buttermilk on hand, but a few do have several loads available for spot sale. However, those plants with stocks have preliminarily earmarked the powder for regular customers. Quite a few LTL sales are also being reported. Cream supplies were reported as tight early in the week, but some excess was available to churning facilities after midweek. Demand is unchanged at generally fair levels. Dry buttermilk production during January 2001 totaled 5.3 million pounds, down 8.8% from January 2000 but 12.8% more than December 2000. Month ending stocks, at 5.7 million pounds, are 31.5% less than last January but 59.8% more than a month ago.

F.O.B. NORTHEAST: .9900 - 1.0100

DELVD SOUTHEAST: 1.0200 - 1.1000

**DRY WHOLE MILK - NATIONAL**

Prices are mixed and the market tone is steady. Prices moved higher with the changes in both the milk prices and the CME butter price. The price decrease was a result of increasing competition in the mid portion of the price range. Production is lighter as output is mostly geared to meeting orders. Demand is reported as steady and generally contractual. Little spot interest is being reported, but some improvement is being discussed for both export and domestic sales. Dry whole milk production during January 2001 totaled 5.1 million pounds, down 41.8% from January 2000 and 21.8% below December 2000. Month ending stocks, at 3.6 million pounds, are 34.5% below a year ago and 3.0% less than last month.

F.O.B. PRODUCING PLANT: 1.2750 - 1.3900

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2000 THROUGH MARCH 2, 2001  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 32,809 MT (72,330,721 LBS)  
CHANGE -- 87 MT (191,800 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are steady to lower and the market tone is steady. The Eastern market remains firm despite the slightly lower prices. Local producers are often behind on contract shipping schedules. Many are sold out through March. Others are getting caught up with contracts, but still have little available for spot sale. Reports indicate that Extra Grade, dry whey is readily available in the Midwest and being offered at attractive prices. However, demand is seldom better than fair as spot buyers seem to be taking only enough to cover immediate needs while they wait to see if prices will continue to slide. Contracts are clearing much of the current output, which is helping producers keep their stocks closely balanced. Production of human food, dry whey during January 2001 totaled 88.9 million pounds, 13.9% less than January 2000 but 2.1% above December 2000. Month ending stocks, at 37.2 million pounds, are 18.5% below last year but 2.5% more than a month ago. Production of animal feed, dry whey during January totaled 5.6 million pounds, 16.0% less than a year ago and 34.1% below December 2000.

F.O.B. NORTHEAST: EXTRA GRADE .2475 - .2600

USPH GRADE A .2600 - .2675

DELVD SOUTHEAST: .2650 - .2850

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are steady. Production levels are little changed. However, surplus milk volumes in the East have tightened this week. Most contacts do expect this scenario to be short lived. Plant stocks are accumulating along normal seasonal patterns. Demand remains slow to fair. Canned evaporated milk production during January 2001 totaled 31.5 million pounds, 0.1% less than January 2000 and 28.5% less than December 2000. Month ending stocks, at 37.8 million pounds, are 2.0% less than a year ago and 9.6% below last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Domestic casein markets are basically unchanged, although buyers are closely monitoring conditions in Europe following the recent foot and mouth outbreak. Of most concern to buyers is if a ban would be imposed on European sourced casein out of those affected countries or possible restrictions imposed on product entering the US. Stocks of casein in the US are in somewhat better condition than previously thought. Lower usage in January and February has provided for some additional volumes at this time, although some shipments continue to be delayed and in instances cancelled. Domestic buyers feel that prices and market conditions will remain firm into the second quarter.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.3500 - 2.5000

ACID: 2.4500 - 2.6000

## JANAURY 2001 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 128.4 million pounds in January, 9.7 percent below January 2000 but 10.8 percent above December 2000. **AMERICAN TYPE CHEESE** production totaled 300.6 million pounds, 5.1 percent below January 2000 but 0.4 percent above December 2000. **TOTAL CHEESE** output (excluding cottage cheese) was 678.5 million pounds, 1.2 percent below January 2000 and 1.7 percent below December 2000. **NONFAT DRY MILK** production, for human food, totaled 117.5 million pounds, 12.1 percent below January 2000 and 1.3 below December 2000. **DRY WHEY** production, for human food, was 88.9 million pounds, 13.9 percent below January 2000 but 2.1 percent above December 2000. **ICE CREAM** (hard) production totaled 62.8 million gallons, 4.6 percent above January 2000 and 16.7 percent above December 2000.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	JAN 2001	PERCENT CHANGE FROM:			PRODUCT	JAN 2001	PERCENT CHANGE FROM:		
	1,000 LBS.	JAN 2000	DEC 2000	YEAR TO DATE 1/		1,000 LBS.	JAN 2000	DEC 2000	YEAR TO DATE 1/
BUTTER	128,419	-9.7	10.8	-9.7	YOGURT (PLAIN AND FLAVORED)	140,264	4.5	1.4	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT <u>6</u> /				
AMERICAN TYPES <u>2</u> /	300,585	-5.1	0.4	-5.1	SWEET-TYPE, HUMAN FOOD	7,922	-7.8	29.6	---
CHEDDAR	232,991	-6.4	0.2	-6.4	SWEET-TYPE, ANIMAL FEED	1,170	9.6	1.3	---
SWISS	16,153	-9.5	-9.5	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	7,176	-4.6	-5.8	---	DRY WHEY, HUMAN FOOD	88,906	-13.9	2.1	---
CREAM & NEUFCHATEL	45,115	-0.6	-20.8	---	DRY WHEY, ANIMAL FEED	5,553	-16.0	-34.1	---
HISPANIC	7,512	9.0	-2.3	C	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	229,055	6.4	-1.1	6.4	HUMAN FOOD	6,738	-0.6	-5.3	---
OTHER ITALIAN TYPES	57,377	-6.8	8.3	-6.8	ANIMAL FEED	3,329	0.8	11.7	---
TOTAL ITALIAN TYPES	286,432	3.5	0.6	3.5	LACTOSE, HUMAN FOOD & ANIMAL FEED	46,448	13.8	6.2	---
ALL OTHER TYPES	15,480	-1.8	-2.2	---	WHEY PROTEIN CONCENTRATE				
TOTAL	678,453	-1.2	-1.7	-1.2	HUMAN FOOD	26,861	-5.5	-3.8	---
COTTAGE CHEESE, CURD <u>3</u> /	35,940	2.2	7.0	---	ANIMAL FEED	3,931	11.2	-3.8	---
COTTAGE CHEESE, CREAM <u>4</u> /	30,082	8.9	7.0	8.9					
COTTAGE CHEESE, LOWFAT <u>5</u> /	29,198	3.5	11.8	3.5	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
CANNED EVAPORATED & CONDENSED					ICE CREAM (HARD)	62,791	4.6	16.7	4.6
WHOLE MILK	31,522	-0.1	-28.5	---	ICE CREAM, LOWFAT (HARD)	6,840	10.1	13.1	---
DRY WHOLE MILK	5,094	-41.8	-21.8	---	ICE CREAM, LOWFAT (SOFT)	17,227	20.9	3.7	---
NONFAT DRY MILK, HUMAN FOOD	117,457	-12.1	-1.3	-12.1	ICE CREAM, LOWFAT (TOTAL)	24,067	17.6	6.2	17.6
DRY SKIM MILK, ANIMAL FEED	457	-5.8	-10.7	---	SHERBET (HARD)	3,473	4.9	10.2	4.9
DRY BUTTERMILK	5,264	-8.8	12.8	---	YOGURT (TOTAL)	6,265	14.6	7.4	14.6
MANUFACTURERS' STOCKS, END OF MONTH <u>7</u> /									
PRODUCT	JAN 2001	PERCENT OF:		PRODUCT	JAN 2001	PERCENT OF:			
	1,000 LBS.	JAN 2000	DEC 2000		1,000 LBS.	JAN 2000	DEC 2000		
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE					
DRY WHEY, HUMAN FOOD	37,200	-18.5	2.5	HUMAN FOOD	10,789	-38.7	10.6		
DRY WHEY, ANIMAL FEED	6,094	-1.6	-11.4	ANIMAL FEED	1,577	9.9	53.0		
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL <u>8</u> /	6,212	-36.5	-11.7	CANNED EVAPORATED & CONDENSED WHOLE MILK	37,843	-2.0	-9.6		
LACTOSE, HUMAN FOOD & ANIMAL FEED	27,377	24.5	-12.2	DRY WHOLE MILK	3,641	-34.5	-3.0		
DRY BUTTERMILK, TOTAL	5,730	-31.5	59.8	NONFAT DRY MILK FOR HUMAN FOOD	123,912	-15.3	4.1		
				DRY SKIM MILK FOR ANIMAL FEED	801	-31.5	59.8		

1/ 2001 cumulative as percent change of 2000 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese.

4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Stocks held by manufacturers at all points and in transit. 8/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (3-01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, FEBRUARY

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for February 2001 is \$1.4626 per pound. Thus, the Class II butterfat price is \$1.4696. The protein and other solids prices for February are \$1.4951 and \$0.1199 per pound, respectively. These component prices set the Class III skim milk price at \$5.34 per cwt. The February Class IV skim milk price is \$7.86 which is derived from the nonfat solids price of \$0.8737 per pound. **Product Price Averages:** The product price averages for February are; butter \$1.3143, nonfat dry milk \$1.0137, cheese \$1.1467, and dry whey \$0.2561.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <u>1/ 2/</u>						
FEDERAL MILK ORDER MARKETING AREAS <u>3/</u>	ORDER NUMBER	FEBRUARY 2001				MARCH 2001
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <u>4/</u>	001	15.19	13.43	10.27	12.70	15.90
Appalachian (Charlotte) <u>5/</u>	005	15.04	13.43	10.27	12.70	15.75
Southeast (Atlanta) <u>6/</u>	007	15.04	13.43	10.27	12.70	15.75
Florida (Tampa ) <u>7/</u>	006	15.94	13.43	10.27	12.70	16.65
Mideast (Cleveland) <u>8/</u>	033	13.94	13.43	10.27	12.70	14.65
Upper Midwest (Chicago) <u>9/</u>	030	13.74	13.43	10.27	12.70	14.45
Central (Kansas City) <u>10/</u>	032	13.94	13.43	10.27	12.70	14.65
Southwest (Dallas) <u>11/</u>	126	14.94	13.43	10.27	12.70	15.65
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	14.29	13.43	10.27	12.70	15.00
Western (Salt Lake City) <u>13/</u>	135	13.84	13.43	10.27	12.70	14.55
Pacific Northwest (Seattle) <u>14/</u>	124	13.84	13.43	10.27	12.70	14.55
All-Market Average	---	14.52	13.43	10.27	12.70	15.23

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63—the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are principal pricing points of markets.

4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other points are: New Orleans, plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other points are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other points are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I price at Boise is minus \$0.30.

14/ Class I prices at other points are: Portland, same; and Spokane, same.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE <sup>1/</sup>

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
NOV 2000	168.9	2.2	161.4	-1.9	156.7	-5.4	162.9	-1.7	133.8	-1.3	155.5	3.3
DEC 2000	170.0	2.8	161.5	-0.4	160.0	0.9	161.1	-2.5	147.2	12.4	156.6	4.5
JAN 2001	170.9	2.9	163.6	2.0	163.1	5.2	161.7	-1.5	156.3	12.8	158.0	5.2
<b>U.S. City Average Retail Prices</b>												
Month	Whole Milk <sup>4/</sup>		Lowfat Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	Dollars											
NOVEMBER	2.753	2.981	2.633	2.942	2.483	2.449	3.639	3.789	3.862	3.918	3.320	3.338
DECEMBER	2.785	2.876	2.662	2.833	2.799	2.272	3.693	3.850	3.763	3.845	3.660	3.404
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
JANUARY	2.852	2.785	2.705	2.717	2.971	2.425	3.674	3.843	3.871	3.839	3.673	3.324

NA = Not available. <sup>1/</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2/</sup> The standard reference base period for these indexes is 1982-1984 = 100. <sup>3/</sup> Percent change over previous year. <sup>4/</sup> Per gallon. <sup>5/</sup> Per pound. Grade AA, salted, stick butter. <sup>6/</sup> Per pound, any size and type of package. <sup>7/</sup> Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). <sup>8/</sup> Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-OCTOBER-DECEMBER AND YEAR-TO-DATE 1999-2000 <sup>1/</sup>

Item	Oct.-Dec. 1999	Percent change <sup>4/</sup>	Oct.-Dec. 2000	Percent change <sup>4/</sup>	Jan.-Dec. 1999	Percent change <sup>4/</sup>	Jan.-Dec. 2000	Percent change <sup>4/</sup>
	Million Pounds							
<b>MILK</b>								
Production	40,440	4.0	40,678	0.6	162,716	3.4	167,658	2.7
Marketings	40,096	4.0	40,344	0.6	161,349	3.5	166,328	2.8
Beginning Commercial Stocks <sup>2/</sup>	7,444	28.5	8,904	19.6	5,274	7.9	6,135	16.3
Imports <sup>2/</sup>	1,273	-5.0	1,094	-14.1	4,772	4.0	4,446	-6.8
Total Supply <sup>3/</sup>	48,813	6.9	50,342	3.1	171,395	3.6	176,909	2.9
Ending Commercial Stocks <sup>2/</sup>	6,135	16.3	6,863	11.9	6,135	16.3	6,863	11.9
Net Removals <sup>2/</sup>	122	149.0	167	36.9	343	-6.3	841	145.2
Commercial Disappearance <sup>3/</sup>	42,556	5.4	43,312	1.8	164,917	3.2	169,205	2.3
<b>SELECTED PRODUCTS <sup>5/</sup></b>								
Butter	374.7	10.3	391.9	4.6	1,308.8	7.0	1,329.4	1.3
American Cheese	930.8	8.9	928.1	-0.3	3,586.4	7.4	3,632.1	1.0
Other Cheese	1,297.7	5.3	1,307.0	0.7	4,677.8	5.1	4,928.1	5.1
Nonfat Dry Milk	177.8	-19.4	189.7	6.7	791.1	-8.7	770.6	-2.8
Fluid Milk Products <sup>6/</sup>	14,256.3	0.1	14,179.7	-0.5	55,712.2	0.7	55,496.2	-0.7

NA = Not available.

<sup>1/</sup> Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. <sup>2/</sup> Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. <sup>3/</sup> Totals may not add because of rounding. <sup>4/</sup> From year earlier on a daily average basis. <sup>5/</sup> Commercial disappearance in product pounds. <sup>6/</sup> Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through ERS AutoFAX. To request a document, dial (202) 694-5700 and enter document number 11521 when prompted.

**SUMMARY OF PACKAGED SALES OF FLUID MILK PRODUCTS IN FEDERAL MILK ORDER MARKETING AREAS  
AND CALIFORNIA, BY MONTHS, 2000 1/**

Month	Fluid milk sales by marketing area											
	Northeast	Appa- lachian	Southeast	Florida	Mideast	Upper Midwest	Central	Southwest	Arizona- Las Vegas/ Western <u>2/</u>	Pacific Northwest	California	Total <u>3/</u>
	Million pounds											
Jan	847	320	437	238	572	376	393	353	174	183	538	4,432
Feb	814	281	394	236	550	357	376	336	172	174	522	4,212
Mar	857	313	428	254	574	383	402	354	187	187	568	4,507
Apr	766	278	394	230	541	350	370	331	165	173	509	4,106
May	821	299	415	233	564	371	381	346	175	186	545	4,335
Jun	778	283	389	218	516	340	358	327	167	172	525	4,073
Jul	779	285	386	221	514	340	362	326	164	173	516	4,066
Aug	798	314	423	233	544	361	393	363	180	181	532	4,322
Sep	819	300	422	228	557	372	399	350	179	190	553	4,370
Oct	823	312	419	232	552	376	401	359	182	189	550	4,394
Nov	829	298	416	233	561	377	398	358	176	185	537	4,367
Dec	871	308	411	236	575	378	407	347	172	180	541	4,426
Total <u>3/</u>	9,802	3,590	4,934	2,792	6,619	4,380	4,642	4,150	2,094	2,172	6,436	51,611

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California. Fluid milk products include: plain and flavored whole milk, plain, solids added, and flavored fat-reduced milk, buttermilk, and miscellaneous fluid milk products. 2/ The data for these markets have been combined for reporting purposes. 3/ May not add due to rounding.

### OUTLOOK FOR DAIRY\*

**Milk Production Revisions Point to Steady 2001.** Recently published revisions to annual 2000 milk production data show almost no changes from the original estimates. Milk cow numbers and milk production were lowered only 0.2 percent. Milk production in 2000 grew almost 3 percent (on a daily average basis) on the strength of a more than 2-percent increase in milk per cow and an almost 1-percent rise in average milk cow numbers.

The revisions to 2000 data were more important to the outlook for 2001 than they were for 2000. Whether the low 2000 returns to milk production would begin to significantly slow expansion of milk output was a key uncertainty throughout 2000. Preliminary estimates showed milk cow numbers continuing to rise last summer and only turning downward at the end of the year. Yearend numbers were still significantly above a year earlier. Overall, the inference had been that expansion by stronger producers remained largely unabated, and accelerated exit of weaker farms had barely begun by the end of 2000.

Revised data show that cow numbers rose less than thought during the first half, were flat during the summer, and declined significantly during autumn. Cow numbers at the start of 2001 were only barely above a year earlier. It now appears that structural adjustments to the low returns started earlier than previously thought. In addition, late 2000 milk per cow was revised downward slightly, implying that forage quality problems may be more severe than believed. The almost 2-percent drop in January milk production in the 20 States reinforced both of these patterns. Milk production in 2001 is now projected to be close to last year.

**Demand Uncertainty Grows.** Growth in dairy demand in 2001 may not match the exuberant pace of recent years, as the economic expansion is beginning to show some ragged edges after a long steady run. Even so, dairy demand is projected to remain fairly good through at least most of the year because a major economic slowdown does not seem likely. Demand for cheese, butter, and cream probably will continue to show the most strength.

The general economy is still predicted to grow this year and probably will continue to bolster dairy demand. However, slower overall growth, some layoffs, higher energy costs, slippage in stock values, and media attention to signs of economic softening may reduce consumer confidence and make them more cautious about spending. Consumer retrenching probably will affect different dairy products unevenly but will have a dampening effect overall.

**Muted Price Recovery Expected.** Milk prices in 2001 are likely to recover only slightly from last year's low. Farm milk prices currently are somewhat above the very low levels of a year ago but are expected to run near a year earlier during the spring and summer. Seasonal rises are projected to lift autumn prices above a year earlier. For the year, the average price of all milk is expected to rise about a half-dollar per cwt. The gap between the value of milk for butter-powder and for cheese probably will stay wide.

The year of 2001 is not expected to see major recovery in prices of milk and dairy products. However, it is expected to be a year when milk production slows, demand continues to expand, and the stage is set for stronger prices in the years to come.

\* This summary was assembled by the Market Information Branch, Dairy, Programs, AMS from the two source documents.

**SOURCE:** "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-80, February 28, 2001, and "Outlook for Dairy", Agricultural Outlook Forum, February 23, 2001, Economic Research Service, USDA. For more information, contact James J. Miller, (202) 694-5184.

ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, MARCH 2001, WITH COMPARISONS 1/												
CITY	MAR 1999			MAR 2000			FEB 2001			MAR 2001		
	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence
	Dollars Per Hundredweight											
Atlanta, GA	20.50	19.35	1.15	15.69	13.94	1.75	16.37	15.04	1.33	16.83	15.75	1.08
Baltimore, MD	20.05	19.30	0.75	15.29	13.84	1.45	16.69	14.94	1.75	17.40	15.65	1.75
Boston, MA *	19.99	19.51	0.48	14.57	14.09	0.48	15.67	15.19	0.48	16.38	15.90	0.48
Carbondale, IL	19.64	18.28	1.36	14.75	13.04	1.71	15.85	14.14	1.71	16.56	14.85	1.71
Charlotte, NC	20.50	19.35	1.15	15.69	13.94	1.75	16.37	15.04	1.33	16.83	15.75	1.08
Chicago, IL	19.60	17.67	1.93	14.52	12.64	1.88	15.24	13.74	1.50	15.99	14.45	1.54
Cincinnati, OH	20.13	18.38	1.75	14.89	13.04	1.85	15.92	14.14	1.78	16.58	14.85	1.73
Cleveland, OH	19.77	18.27	1.50	14.54	12.84	1.70	15.72	13.94	1.78	16.38	14.65	1.73
Dallas, TX	19.68	19.43	0.25	15.14	13.84	1.30	15.74	14.94	0.80	16.20	15.65	0.55
Denver, CO	19.25	19.00	0.25	14.04	13.39	0.65	15.19	14.49	0.70	15.90	15.20	0.70
Des Moines, IA	18.67	17.82	0.85	13.94	12.64	1.30	14.95	13.74	1.21	15.66	14.45	1.21
Detroit, MI	19.12	18.12	1.00	13.89	12.64	1.25	14.99	13.74	1.25	15.45	14.45	1.00
Hartford, CT *	19.89	19.41	0.48	14.47	13.99	0.48	15.57	15.09	0.48	16.28	15.80	0.48
Houston, TX	20.22	19.97	0.25	15.74	14.44	1.30	16.34	15.54	0.80	16.80	16.25	0.55
Indianapolis, IN	19.72	18.17	1.55	14.69	12.84	1.85	15.72	13.94	1.78	16.38	14.65	1.73
Kansas City, MO	18.94	18.19	0.75	14.49	12.84	1.65	15.15	13.94	1.21	15.86	14.65	1.21
Louisville, KY	19.48	18.38	1.10	14.44	13.04	1.40	15.39	14.14	1.25	15.85	14.85	1.00
Memphis, TN	19.84	19.04	0.80	15.14	13.64	1.50	15.82	14.74	1.08	16.28	15.45	0.83
Miami, FL	22.82	20.45	2.37	18.20	15.14	3.06	18.88	16.24	2.64	19.26	16.95	2.31
Milwaukee, WI	19.51	17.58	1.93	14.47	12.59	1.88	15.34	13.69	1.65	16.09	14.40	1.69
Minneapolis, MN	18.30	17.47	0.83	13.78	12.54	1.24	14.70	13.64	1.06	15.45	14.35	1.10
New Orleans, LA	20.37	19.92	0.45	15.84	14.44	1.40	16.52	15.54	0.98	16.98	16.25	0.73
Oklahoma City, OK	19.79	19.04	0.75	14.99	13.44	1.55	15.59	14.54	1.05	16.05	15.25	0.80
Omaha, NE	18.77	18.02	0.75	13.94	12.69	1.25	15.00	13.79	1.21	15.71	14.50	1.21
Philadelphia, PA	20.08	19.36	0.72	15.31	13.89	1.42	16.86	14.99	1.87	17.57	15.70	1.87
Phoenix, AZ	18.79	18.79	0.00	13.79	13.19	0.60	14.44	14.29	0.15	15.15	15.00	0.15
Pittsburgh, PA	18.77	18.27	0.50	14.34	12.94	1.40	16.24	14.04	2.20	16.95	14.75	2.20
St. Louis, MO	19.64	18.28	1.36	14.55	12.84	1.71	15.65	13.94	1.71	16.36	14.65	1.71
Salt Lake City, UT	18.42	18.17	0.25	12.99	12.74	0.25	14.09	13.84	0.25	14.80	14.55	0.25
Seattle, WA	18.55	18.17	0.38	14.87	12.74	2.13	14.51	13.84	0.67	14.93	14.55	0.38
Spokane, WA	18.55	18.17	0.38	14.87	12.74	2.13	14.51	13.84	0.67	14.93	14.55	0.38
Springfield, MO	19.21	18.46	0.75	14.59	13.04	1.55	15.19	14.14	1.05	15.65	14.85	0.80
Washington, DC	20.05	19.30	0.75	15.29	13.84	1.45	16.69	14.94	1.75	17.40	15.65	1.75
Simple Average	19.59	18.70	0.89	14.78	13.32	1.46	15.66	14.42	1.24	16.27	15.13	1.14

\*NOTE: The Northeast Dairy Compact has established a Class I price level of \$16.94. The Compact obligation is \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level is the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference". When the Federal order Class I price shown for Boston is higher than the Compact Class I price, the Compact price is not effective.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

## CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF MARCH 5 - 9, 2001			CUMULATIVE TOTALS			UNCOMMITTED INVENTORIES#	
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD	
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/00	LAST YEAR	03/02/01	LAST YEAR	
BUTTER								
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE								
Block	-0-	-0-	-0-	3,050,083	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	4,039,200	792,000	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	11,114,559	792,000	-0-	-0-	-0-
NONFAT DRY MILK								
Nonfort	14,107,552	661,306	13,446,246	210,817,130	151,221,002	438,213,000	-0-	-0-
Fortified	-0-	-0-	-0-	26,867,069	5,313,347	37,339,000	-0-	-0-
TOTAL	14,107,552	661,306	13,446,246	237,684,199	156,534,349	475,552,000	-0-	-0-

#Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

## MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF MARCH 5 - 9, 2001 =	3.0	156.5	COMPARABLE WEEK IN 2000 =	6.1	135.8
CUMULATIVE SINCE OCTOBER 1, 2000 =	154.9	2,876.7	CUMULATIVE SAME PERIOD LAST YEAR =	41.7	1,829.9
CUMULATIVE JANUARY 1 - MARCH 9, 2001 =	38.3	1,394.1	COMPARABLE CALENDAR YEAR 2000 =	30.5	1,236.8

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

## CCC ADJUSTED PURCHASES FOR THE WEEK OF MARCH 5 - 9, 2001 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK		
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED	
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	171,958	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	13,274,288	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

## CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
MIDWEST	-0-	-0-	6,035,040	792,000	3,019,219	15,147,807	36.4	25.5
WEST	-0-	-0-	5,039,919	-0-	234,664,980	140,427,618	63.4	74.0
EAST	-0-	-0-	39,600	-0-	-0-	958,924	0.2	0.5
TOTAL	-0-	-0-	11,114,559	792,000	237,684,199	156,534,349	100.0	100.0

## SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 16, 2001

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

## DOLLARS PER POUND

BUTTER: Bulk \$.6549; 1# Prints \$.6849

CHEESE: 40 & 60# Blocks \$1.1314; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process American 2# \$1.2239

NONFAT DRY MILK: Nonfortified \$1.0032; Fortified \$1.0132; Instant \$1.1607

## Dairy &amp; Total Cow Slaughter under Federal Inspection, by Regions &amp; U.S., for Week Ending 02/17/01 &amp; Comparable Week 2000

Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL	% DAIRY OF ALL
											WEEK : SINCE JAN 1	WEEK : SINCE JAN 1
2001-Dairy cows HD (000)	0.3	0.6	6.0	5.2	21.6	2.9	1.9	1.1	11.6	3.3	54.5	49.2
2000-Dairy cows HD (000)	0.3	1.1	6.6	5.3	19.4	2.5	1.1	0.8	11.3	3.2	376.0	49.6
2001-All cows HD (000)	0.3	0.8	8.2	14.4	31.6	17.8	5.6	12.9	6.2	110.7	808.0	
2000-All cows HD (000)	0.3	1.2	9.0	14.3	27.7	12.2	5.1	12.7	6.1	103.8	760.4	

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

## CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

## FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Class I 1/	13.99	11.94	12.65									
Class II	12.82	13.43										
Class III	9.99	10.27										
Class IV	12.13	12.70										

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/mib/class\\_prod\\_milk\\_comp\\_pr.htm](http://www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm)